STANDARD & POOR'S

Tractor Supply Co

S&P Recommendation	Price	12-Mo. Target Price	Investment Style
HOLD ★★★★★	$103.09 (as of Mar 1, 2013)	$108.00	Mid-Cap Growth

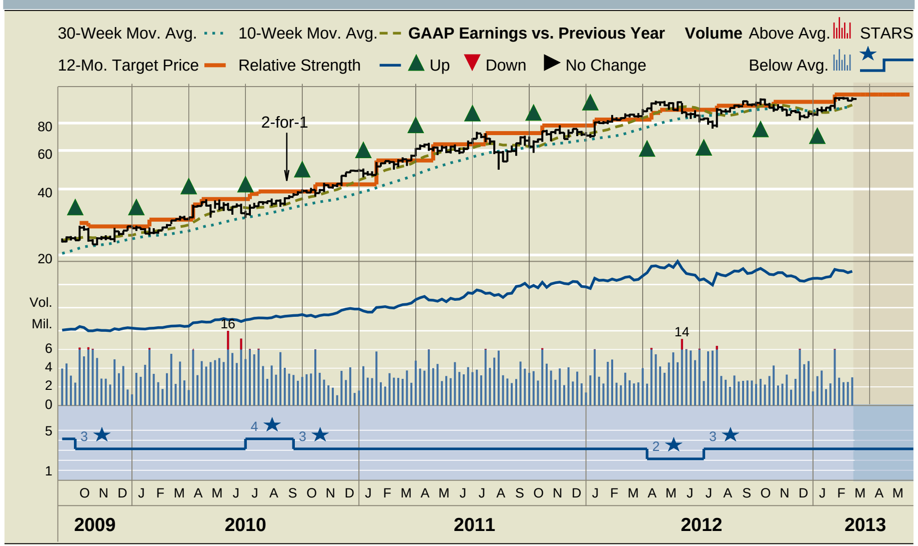
GICS Sector Consumer Discretionary
Sub-Industry Specialty Stores

Summary This specialty retailer supplies the daily farming and maintenance needs of hobby, part-time and full-time farmers and ranchers through nearly 1,200 stores in 45 states.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	$105.37– 75.46	S&P Oper. EPS 2013**E**	4.45	Market Capitalization(B)	$7.261	Beta	0.87
Trailing 12-Month EPS	$3.80	S&P Oper. EPS 2014**E**	5.12	Yield (%)	0.78	S&P 3-Yr. Proj. EPS CAGR(%)	17
Trailing 12-Month P/E	27.1	P/E on S&P Oper. EPS 2013**E**	23.2	Dividend Rate/Share	$0.80	S&P Credit Rating	NA
$10K Invested 5 Yrs Ago	$56,468	Common Shares Outstg. (M)	70.4	Institutional Ownership (%)	86		

Price Performance



Options: ASE, CBOE, Ph

Analysis prepared by Equity Analyst **Michael Souers** on Feb 04, 2013, when the stock traded at **$102.04**.

Highlights

- We expect 2013 revenue growth of 10.5%, following a 10.2% advance in 2012. We expect this increase to be driven by the addition of approximately 100 new locations and a comparable-store sales increase of 4%-5%. Our same-store forecast assumes low single digit commodity price inflation and a challenging but slowly recovering macroeconomic environment, and reflects our belief that TSCO can counter a competitive environment by offering niche retail stock focusing on items not sold by big box rivals. We expect sales of big ticket items to show improvement following several challenging years.
- We look for a slight increase in gross margins as improved sourcing and price optimization efforts are partially offset by higher input costs driven by increased commodity prices. We expect operating margins to widen to 9.7%, from 9.4%, as continued cost control efforts are buoyed by strong comp-store sales growth.
- After a projected effective tax rate of 36.5% and a 2% decline in the diluted share count, we project 2013 EPS of $4.45, a 17% increase from the $3.80 the company earned in 2012.

Investment Rationale/Risk

- We think the shares are fairly valued at over 23X our 2013 EPS estimate, a modest premium to TSCO's five-year historical average. We believe TSCO has outstanding long-term growth prospects, with the potential to grow its store base significantly to a target of 2,100 units. Moreover, we favor initiatives to boost gross margins, such as direct sourcing, reducing advertising spending, and increased private labels. While we think relatively weak consumer spending and the potential cannibalization of existing outlets by new additions may lead to decelerating comp-store sales gains, we maintain a favorable long-term view.
- Risks to our recommendation and target price include a slower expansion of TSCO's store base, a slowdown in consumer spending, and increases in commodity prices that lead to narrower gross margins.
- Our 12-month target price of $108, about 24X our 2013 EPS estimate, is based on our discounted cash flow analysis, which assumes a weighted average cost of capital of 9.6% and a terminal growth rate of 3.5%.

Qualitative Risk Assessment

LOW	MEDIUM	HIGH

Our risk assessment reflects the cyclical and seasonal nature of the ranch and farm retailing industry, offset by what we see as TSCO's leadership position in the industry and a stronger-than-average balance sheet.

Quantitative Evaluations

S&P Quality Ranking B+

D	C	B-	B	B+	A-	A	A+

Relative Strength Rank STRONG

76

LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million U.S. $)

	1Q	2Q	3Q	4Q	Year
2012	1,020	1,292	1,066	1,286	4,664
2011	836.6	1,178	977.8	1,240	4,233
2010	710.9	1,066	829.1	1,033	3,638
2009	650.2	946.5	747.7	862.5	3,207
2008	576.2	898.3	733.9	799.5	3,008
2007	559.8	790.9	629.2	723.3	2,703

Earnings Per Share (U.S. $)

	1Q	2Q	3Q	4Q	Year
2012	0.55	1.45	0.69	1.11	3.80
2011	0.24	1.23	0.58	0.96	3.01
2010	0.13	1.03	0.43	0.67	2.25
2009	Nil	0.75	0.30	0.52	1.58
2008	-0.03	0.58	0.22	0.34	1.10
2007	0.06	0.54	0.22	0.39	1.20

Fiscal year ended Dec. 31. Next earnings report expected: NA. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount ($)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.200	05/03	05/17	05/21	06/05/12
0.200	08/02	08/16	08/20	09/05/12
0.200	11/01	11/15	11/19	12/04/12
0.200	02/07	02/21	02/25	03/12/13

Dividends have been paid since 2010. Source: Company reports.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

Tractor Supply Co

Business Summary February 04, 2013

CORPORATE OVERVIEW. Tractor Supply is a specialty retailer that seeks to supply the lifestyle needs of recreational farmers and ranchers and the maintenance needs of those who enjoy a rural lifestyle, as well as tradespeople and small businesses. TSCO operates the largest U.S. chain of retail farm and ranch stores under the names Tractor Supply Company and Del's Farm Supply, with 1,176 stores in 45 states as of December 31, 2012.

TSCO offers a comprehensive selection of merchandise comprising livestock and pet products (40% of revenues in 2011), including items necessary for their health, care, growth and containment; hardware, tools and truck products (23%); seasonal, including lawn and garden items, power equipment, gifts and toy products (21%); clothing and footwear (10%); and agriculture (6%).

The company's stores carry a consistent merchandise mix, and stock an average of 16,000 to 19,500 unique products, including a wide selection of quality, nationally recognized brand name merchandise, often tailored to some extent to store size and regional characteristics. TSCO also markets private label merchandise. Stores are located in rural communities and in outlying areas of major metropolitan markets.

TSCO's stores are designed to create a pleasant environment, maximize sales and operating efficiencies, and make shopping an enjoyable experience. Stores typically have between 15,500 sq. ft. and 19,000 sq. ft. of inside selling space and also utilize outside selling space. Del's Farm Supply operates 26 stores, primarily in the Pacific Northwest, that range in size from 2,000 to 6,000 sq. ft. of inside selling space.

The company's business is highly seasonal. Historically, sales and profits have been highest in the second and fourth quarters of each year. Unseasonable weather and excessive rain, drought, and early or late frosts may also affect sales. However, the company believes the impact of weather conditions on results is mitigated, to some extent, by the broad geographic dispersion of its stores.

CORPORATE STRATEGY. TSCO's growth strategy is multi-faceted. First, the company aims to expand its geographic market presence through the opening of new retail stores. At the same time, TSCO is working to enhance financial performance through comparable-store sales growth, driven by aggressive merchandising programs with an everyday low price philosophy, supported by customer service and leveraging of operating costs, especially advertising and distribution. Additionally, TSCO seeks to enhance product margins by assortment and vendor management, global sourcing, and optimization of transportation and delivery costs. TSCO also aims to expand market opportunities via Internet sales, as well as expanding through selective acquisitions. The company has posted considerable sales growth over the past five years, with a compound annual growth rate (CAGR) of approximately 12%.

Principal competitors include general merchandise retailers, home center retailers and other specialty and discount retailers, as well as independently-owned retail farm and ranch stores, numerous privately held regional farm store chains and farm cooperatives.

The company opened 85 new stores in 2011 and 74 in 2010. TSCO has developed a formal site selection process and identified more than 1,000 potential additional markets for new U.S. stores.

In late 2005, TSCO acquired privately held Del's Farm Supply for $17.6 million and the assumption of certain liabilities. This minor acquisition notwithstanding, we expect the vast majority of TSCO's future growth to be organic.

FINANCIAL TRENDS. From 2009 through 2012, TSCO posted a three-year CAGR in sales of 13.3%. We believe this growth has been a function of new store growth and strong comparable store sales. Same-store sales growth has increased 6.8%, on average, over the past three years.

Tractor Supply's return on invested capital (ROIC) is impressive, in our view, having increased steadily over the past 10 years, to 22.2% in 2011, from 15.7% in 2002. TSCO's ROIC has greatly outpaced both the S&P Specialty Stores sub-industry average of 12.8% and the S&P Consumer Discretionary sector average of 9.8%. We look for a slight increase in ROIC in 2013, led by a projected widening of operating margins.

Corporate Information

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Officers

Chrmn
J.F. Wright

Pres & CEO
G.A. Sandfort

COO
L. Downing

EVP, CFO, Chief Acctg Officer & Treas
A.F. Crudele

SVP, Secy & General Counsel
B.F. Parrish, Jr.

Board Members
J. C. Adams, Jr.
J. C. Bingleman
C. T. Jamison
E. K. Morris
J. F. Wright
P. D. Bewley
R. W. Frost
G. MacKenzie, Jr.
G. A. Sandfort

Domicile
Delaware

Founded
1982

Employees
17,300

Stockholders
100,000

Tractor Supply Co

Quantitative Evaluations

S&P Fair Value Rank 3

1	2	3	4	5

LOWEST — HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation **$96.10** Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that TSCO is slightly overvalued by $6.99 or 6.8%.

Investability Quotient Percentile 95

LOWEST = 1 — HIGHEST = 100

TSCO scored higher than 95% of all companies for which an S&P Report is available.

Volatility LOW | **AVERAGE** | HIGH

Technical Evaluation **BULLISH** Since January, 2013, the technical indicators for TSCO have been BULLISH.

Insider Activity UNFAVORABLE | NEUTRAL | **FAVORABLE**

Expanded Ratio Analysis

	2012	2011	2010	2009
Price/Sales	1.38	1.23	1.00	0.61
Price/EBITDA	12.23	11.97	10.78	7.71
Price/Pretax Income	14.75	14.79	13.67	10.61
P/E Ratio	23.25	23.28	21.56	16.81
Avg. Diluted Shares Outstg (M)	72.8	73.9	74.7	73.3

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	10.19	13.60	11.72	13.19
Net Income	24.12	33.66	28.04	17.52
Ratio Analysis (Annual Avg.)				
Net Margin (%)	5.93	5.27	4.43	4.15
Return on Equity (%)	27.19	23.43	20.28	19.38

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (U.S. $)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tangible Book Value	14.60	14.00	12.68	10.02	8.31	8.10	7.31	5.90	4.84	3.95
Cash Flow	5.02	4.10	3.18	2.48	1.91	1.84	1.65	1.52	1.12	1.05
Earnings	3.80	3.01	2.25	1.58	1.10	1.20	1.11	1.04	0.79	0.73
S&P Core Earnings	3.80	3.01	2.25	1.58	1.10	1.20	1.11	1.00	0.74	0.68
Dividends	0.72	0.43	0.28	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	19%	14%	12%	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	103.74	78.22	49.47	27.25	23.75	28.85	33.79	29.32	22.91	22.44
Prices:Low	68.50	45.25	24.56	14.34	13.35	17.55	19.38	16.60	15.12	7.35
P/E Ratio:High	27	26	22	17	NA	22	30	28	29	31
P/E Ratio:Low	18	15	11	9	12	15	17	16	19	10
Income Statement Analysis (Million U.S. $)										
Revenue	4,664	4,233	3,638	3,207	3,008	2,703	2,370	2,068	1,739	1,473
Operating Income	526	433	336	252	196	211	190	170	129	117
Depreciation	89.0	80.4	69.8	66.3	60.7	51.1	42.3	34.0	27.2	19.8
Interest Expense	1.05	2.09	1.28	1.64	2.13	5.04	2.69	1.63	1.44	3.44
Pretax Income	436	351	265	183	133	155	145	135	100	93.5
Effective Tax Rate	36.6%	36.5%	36.6%	36.9%	38.6%	37.9%	37.4%	36.5%	36.0%	37.5%
Net Income	276	223	168	115	81.9	96.2	91.0	85.7	64.1	58.4
S&P Core Earnings	276	223	168	115	81.9	96.2	91.0	81.7	60.0	54.6
Balance Sheet & Other Financial Data (Million U.S. $)										
Cash	139	177	273	173	37.2	13.7	37.6	21.2	28.9	20.0
Current Assets	1,130	1,090	1,044	834	684	692	679	531	458	383
Total Assets	1,707	1,595	1,463	1,231	1,076	1,058	1,008	815	678	536
Current Liabilities	561	461	427	419	401	380	363	291	242	206
Long Term Debt	NA	NA	NA	NA	1.80	57.4	2.81	10.7	34.7	21.2
Common Equity	1,025	1,008	933	733	610	565	599	478	371	295
Total Capital	1,025	1,008	933	733	610	623	602	488	411	325
Capital Expenditures	153	166	96.5	74.0	91.8	83.6	88.9	77.5	91.3	48.1
Cash Flow	365	303	238	182	143	147	133	120	91.3	78.1
Current Ratio	2.0	2.4	2.5	2.0	1.7	1.8	1.9	1.8	1.9	1.9
% Long Term Debt of Capitalization	Nil	Nil	Nil	Nil	0.3	9.2	0.5	2.2	8.5	6.5
% Net Income of Revenue	5.9	5.3	4.6	3.6	2.7	3.6	3.8	4.1	3.7	4.0
% Return on Assets	16.8	14.6	12.5	10.0	7.7	9.3	10.0	11.5	10.5	11.7
% Return on Equity	27.2	22.9	20.2	17.2	13.9	16.5	16.9	20.2	19.4	22.3

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Tractor Supply Co

STANDARD &POOR'S

Sub-Industry Outlook

Our fundamental outlook for the specialty stores sub-industry is neutral. Driven by soft employment trends, tight credit and higher taxes, we expect total consumer spending to advance only 2.7% in 2013 following a projected 1.9% increase for 2012 (and a 2.5% rise in 2011). While relatively in line with the projected rate of overall real GDP growth, we think this lackluster spending will have a negative effect on specialty retailers. However, this sub-industry is diverse, ranging from high-end stores selling luxury items such as jewelry, to those selling less discretionary items such as automotive parts. As a result, our outlook varies according to the unique prospects of the individual companies and/or groups that constitute the sub-industry.

We expect mixed results for specialty retailers in 2013. In our view, auto parts retailers have several positive demographic trends going for them and should post solid results as consumers continue to favor maintaining their current vehicles over purchasing new ones. We also favor higher-end luxury and jewelry stores, as wealthy consumers have been relatively insulated from many of the economic challenges that have been plaguing consumers. Pet supplies retailers should also post relatively strong results, by our analysis, bolstered by solid industry trends. However, expected weakness in consumer spending has us somewhat cautious with regard to other "discretionary" stores, such as bookstores and arts and crafts. In addition, office supply retailers are likely to struggle amid a slowdown in spending by consumers and small businesses. For the longer term, we see superstore growth slowing as other channels continue to make inroads. With increasing penetration of Internet services, including broadband, more U.S. households are shopping via the Internet in the comfort of their homes. Favored products for Internet shopping include computers, books, apparel, electronics, and toys. Still, we do not foresee the demise of brick and mortar retailing. Most specialty retailers are continuing to build new stores, filling in existing markets, while penetrating new markets including smaller markets with downsized stores. We think that companies with a strong brand name, aggressive brand support, and a mix of traditional stores and websites will likely be solid performers in the long run.

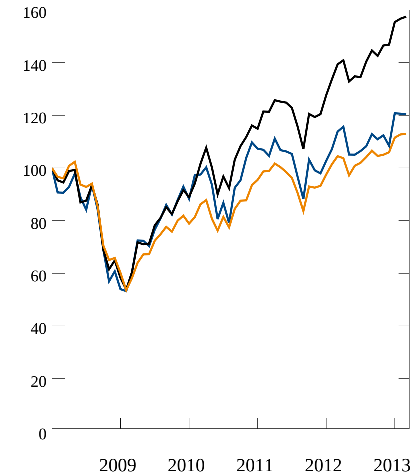
Year to date through February 1, the S&P Specialty Stores Index rose 11.0%, outperforming the 6.3% advance in the S&P 1500 Index. In 2012, this sub-industry underperformed by a slight margin, increasing 10.7% compared to the 13.7% rise in the S&P 1500 Index.

--Michael Souers

Stock Performance

GICS Sector: Consumer Discretionary
Sub-Industry: Specialty Stores

Based on S&P 1500 Indexes
Month-end Price Performance as of 02/28/13



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Specialty Stores Peer Group*: Retail (Specialty) - Assorted

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. $)	Recent Stock Price($)	52 Week High/Low($)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.($)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Tractor Supply	**TSCO**	**7,261**	**103.09**	**105.37/75.46**	**0.87**	**0.8**	**27**	**96.10**	**B+**	**95**	**5.9**	**NA**
Calloway's Nursery	CLWY	NA	0.82	1.00/0.58	0.61	Nil	6	NA	B-	17	2.8	60.6
Winmark Corp	WINA	318	62.58	64.72/47.43	0.53	0.3	25	NA	B	92	27.5	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

S&P Analyst Research Notes and other Company News

January 31, 2013
TSCO posts $1.11 vs. $0.96 Q4 EPS on 4.7% higher same store sales, 3.7% higher total sales. Capital IQ consensus forecast is $1.03 EPS. For FY 13, expects net sales will range between $5.07B-$5.17B, with same-store sales to increase 3% to 5%, EPS to range from $4.32-$4.40.

January 31, 2013
12:36 pm ET ... TRACTOR SUPPLY COMPANY (TSCO 102.44) TRACTOR SUPPLY [TSCO] POSTS HIGHER Q4 RESULTS. KEYBANC RAISES ESTIMATE... Analyst Bradley Thomas says Q4 EPS was better than consensus, co. issued strong '13 guidance. Says upside to ests was broad-based, as both sales and margins beat ests. Remains positive on co.'s LT growth story, its ability to drive margin expansion, and its exposure to the recovery in home-related spending. At yesterday's close, shares traded at 21.6x and 18.3x his $4.38 (up from $4.35) '13 EPS and $5.15 '14 EPS ests, believes shares fairly valued, would look to get more positive at more compelling valuation levels or as comparisons moderate. Keeps hold. S.Trombino

January 31, 2013
09:45 am ET ... S&P REITERATES HOLD RECOMMENDATION ON SHARES OF TRACTOR SUPPLY (TSCO 101.71***): We are increasing our '13 EPS estimate to $4.45 from $4.35 and setting '14's at $5.12. We are also raising our DCF-based target price by $8 to $108. Q4 EPS of $1.11, vs. $0.96, is $0.08 above our estimate. Same-store-sales grew 4.7%, and solid expense control drove operating margin improvement. We favor TSCO's long-term growth prospects, and see continued margin benefits from price optimization efforts and an improved supply chain. However, we think the shares are fully valued, trading at nearly 23X our '13 EPS forecast, a significant premium to historical averages. /Michael Souers

December 21, 2012
James F. Wright, the current Chairman and Chief Executive Officer of Tractor Supply Company has been appointed Executive Chairman of the company's Board of Directors, effective December 20, 2012. In addition, Gregory A. Sandfort will assume the role of President and Chief Executive Officer and be appointed to the company's Board of Directors effective December 20, 2012. Mr. Sandfort, age 57, has served as President and Chief Operating Officer of the company since February 2012. Mr. Sandfort served as President and Chief Merchandising Officer of the company from February 2009 until February 2012, and prior to that time served as Executive Vice President-Chief Merchandising Officer of the company since November 2007. Mr. Wright, age 63, has served as Chairman of the Board and Chief Executive Officer of the company since February 2009, and prior to that time served as Chairman of the Board, President and Chief Executive Officer from November 2007 to February 2009, President and Chief Executive Officer of the company from October 2004 to November 2007, and as President and Chief Operating Officer of the Company from October 2000 to October 2004.

October 25, 2012
08:04 am ET ... S&P REITERATES HOLD RECOMMENDATION ON SHARES OF TRACTOR SUPPLY (TSCO 95.16***): We are increasing our '12 and '13 EPS estimates to $3.72 and $4.35 from $3.67 and $4.29. We are also raising our DCF-based target price by $4 to $100. Q3 EPS of $0.69, vs. $0.58, is $0.05 higher than our estimate. While same-store-sales grew only 2.9%, solid expense control drove operating margin improvement. We favor TSCO's long-term growth prospects, and see continued margin benefits from price optimization efforts. However, we think the shares are fully valued, trading at over 20X our '13 EPS estimate, a modest premium to historical averages. /Michael Souers

September 28, 2012
Tractor Supply Company announced its planned management succession, with current President and Chief Operating Officer, Gregory A. Sandfort, assuming the role of President and Chief Executive Officer, effective January 1, 2013. Mr. Sandfort will also be appointed to the Board of Directors at that time. James F. Wright, the company's current Chairman and Chief Executive Officer, will be appointed Executive Chairman of the Board with a term of one year. Mr. Sandfort joined Tractor Supply Company as Chief Merchandising Officer in November 2007 and has been instrumental to the company's ability to effectively grow sales and operating margins while improving operating efficiencies and inventory productivity. Mr. Sandfort was promoted to President and Chief Merchandising Officer in February 2009 and to President and Chief Operating Officer in February 2012. Mr. Wright joined Tractor Supply Company as President and Chief Operating Officer in October 2000. Over the past twelve years, Mr. Wright has been a key architect in building the Company into a specialty retailer.

July 26, 2012
TSCO posts $1.45 vs. $1.23 Q2 EPS on 3.2% higher same-store sales, 9.6% higher total sales. Capital IQ consensus forecast was $1.39. Says same-store sales increase was driven primarily by continued strong results in key consumable, usable and edible (C.U.E.) products, principally animal- and pet-related merchandise.

July 26, 2012
12:53 pm ET ... TRACTOR SUPPLY COMPANY (TSCO 92.09) UP 13.04, TRACTOR SUPPLY (TSCO) POSTS HIGHER Q2. RAYMOND JAMES UPS EST., KEEPS STRONG BUY... Analyst Dan Wewer tells salesforce driven by better gross margin, expense leverage, TSCO's Q2 op. EPS of $1.45 exceeded his estimate of $1.35, Street's view of $1.40. Further, says speculation of sales shortfall seen in ~20% decline in TSCO shares from May highs turned out to be overblown, as co. reported strong 3.2% comp, which he estimates was actually 6.0% when adj. for calendar shift. Notes this strong performance reflects co.'s ability to manage around difficult economic cycles, weather conditions. Raises $3.64 '12 EPS est. to $3.74. Has $105 price target. M.Morrow

July 26, 2012
09:44 am ET ... S&P REITERATES HOLD RECOMMENDATION ON SHARES OF TRACTOR SUPPLY (TSCO 89.33***): We are increasing our '12 and '13 EPS estimates to $3.67 and $4.29 from $3.63 and $4.28. In addition, we are raising our DCF-based target price by $4 to $96. Q2 EPS of $1.45, vs. $1.23, is $0.07 above our estimate. Same-store-sales grew 3.2%, slightly lower than our forecast, but gross margins widened by 0.7 percentage points on mix shift and price optimization efforts. While we favor TSCO's long-term growth prospects, our enthusiasm is curbed by valuation with the shares currently trading at over 20X our '13 EPS forecast, a significant premium to historical averages. /Michael Souers

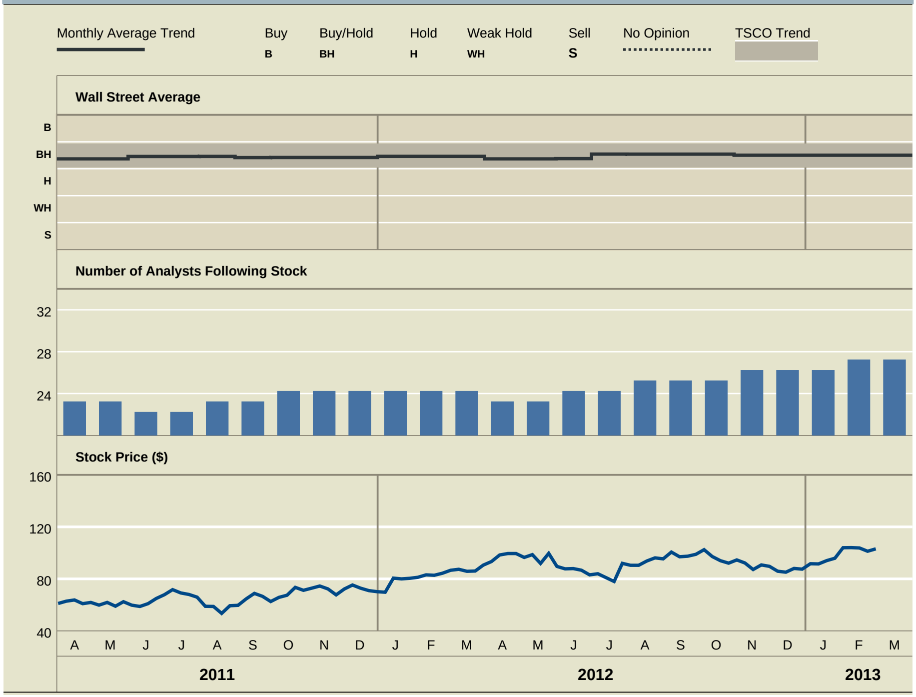
July 6, 2012
10:16 am ET ... S&P UPGRADES RECOMMENDATION ON SHARES OF TRACTOR SUPPLY TO HOLD FROM SELL (TSCO 83.54***): Following a greater than 15% pullback in price over the past two months, we think the shares are now fairly valued at under 20X our '13 EPS estimate, a slight premium to TSCO's 5-year historical average. We are keeping our '12 and '13 EPS estimates of $3.63 and $4.28, as well as our DCF-based 12-month target price of $92. We think TSCO has outstanding long term growth prospects and a strong niche in the farm and ranch retail industry, and we expect price optimization efforts and strong comp-store sales results to yield significant operating margin improvement in the near term. /Michael Souers

Source: S&P.

Tractor Supply Co

STANDARD &POOR'S

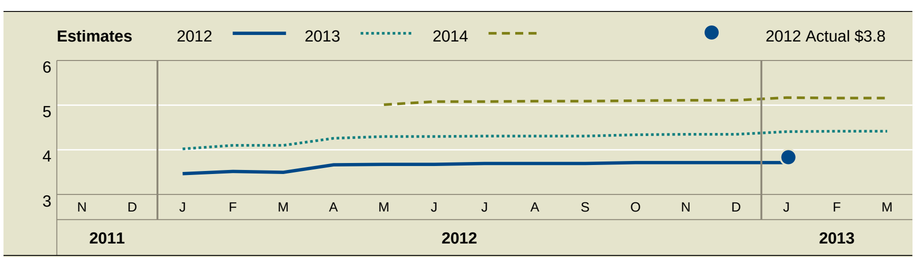
Analysts' Recommendations



Of the total 32 companies following TSCO, 28 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	11	39	11	10
Buy/Hold	5	18	5	6
Hold	11	39	11	10
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	1	4	1	1
Total	**28**	**100**	**28**	**27**

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2014	5.18	5.30	5.05	22	19.9
2013	4.43	4.50	4.35	24	23.3
2014 vs. 2013	▲ **17%**	▲ **18%**	▲ **16%**	▼ **-8%**	▼ **-15%**
Q1'14	0.71	0.76	0.64	5	NM
Q1'13	0.61	0.65	0.57	23	NM
Q1'14 vs. Q1'13	▲ **16%**	▲ **17%**	▲ **12%**	▼ **-78%**	**NA**

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Steet Consensus Opinion

BUY/HOLD

Companies Offering Coverage

Over 30 firms follow this stock; not all firms are displayed.
Argus Research Company
BB&T Capital Markets
BMO Capital Markets, U.S. Equity Research
Barclays
BofA Merrill Lynch
Credit Suisse
Daiwa Securities Capital Markets Co. Ltd.
Deutsche Bank
FBR Capital Markets & Co.
Feltl and Company, Inc.
Goldman Sachs
JMP Securities
JP Morgan
Janney Montgomery Scott LLC
KeyBanc Capital Markets Inc.
Morgan Keegan & Company
Nomura Securities Co. Ltd.
Oppenheimer & Co. Inc.
Piper Jaffray Companies
RBC Capital Markets
Raymond James & Associates
Robert W. Baird & Co.
S&P Equity Research
Stephens, Inc.
Stifel, Nicolaus & Co., Inc.
SunTrust Robinson Humphrey, Inc.
Telsey Advisory Group LLC
ThinkEquity LLC
Thomas Weisel Equity Research
Wedbush Securities Inc.

Wall Street Consensus vs. Performance

For fiscal year 2013, analysts estimate that TSCO will earn $4.43. For fiscal year 2014, analysts estimate that TSCO's earnings per share will grow by 17% to $5.18.

Source: S&P, Capital IQ Estimates, Inc.

Glossary

S&P STARS
Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (STock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P 12-Month Target Price
The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

Investment Style Classification
Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

S&P EPS Estimates
Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Core Earnings
Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

Qualitative Risk Assessment
The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations
In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking
Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank
Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation
The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity
Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO
FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)
The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:
Tractor Supply

	Raw Score	Max Value
Proprietary S&P Measures	20	115
Technical Indicators	29	40
Liquidity/Volatility Measures	19	20
Quantitative Measures	60	75
IQ Total	**128**	**250**

Volatility
Rates the volatility of the stock's price over the past year.

Technical Evaluation
In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank
Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)
An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating
A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type
ASE - American Stock Exchange; AU - Australia Stock Exchange; BB - Bulletin Board; NGM - Nasdaq Global Market; NNM - Nasdaq Global Select Market; NSC - Nasdaq Capital Market; NYS - New York Stock Exchange; OTN - Other OTC (Over the Counter); OTC - Over the Counter; QB - OTCQB; QX - OTCQX; TS - Toronto Stock Exchange; TXV - TSX Venture Exchange; NEX - NEX Exchange.

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Abbreviations Used in S&P Equity Research Reports
CAGR- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings ; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

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In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

S&P Global STARS Distribution

In North America: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services North America recommended 35.2% of issuers with buy recommendations, 58.5% with hold recommendations and 6.3% with sell recommendations.

In Europe: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services Europe recommended 28.2% of issuers with buy recommendations, 51.8% with hold recommendations and 20.0% with sell recommendations.

In Asia: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services Asia recommended 34.7% of issuers with buy recommendations, 51.6% with hold recommendations and 13.7% with sell recommendations.

Globally: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services globally recommended 34.0% of issuers with buy recommendations, 56.8% with hold recommendations and 9.2% with sell recommendations.

★★★★★ **5-STARS (Strong Buy)**: Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy)**: Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold)**: Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell)**: Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell)**: Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

For All Regions: All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

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In Asia: As of December 31, 2012, Standard & Poor's Quantitative Services Asia recommended 49.7% of issuers with buy recommendations, 20.1% with hold recommendations and 30.2% with sell recommendations.

Globally: As of December 31, 2012, Standard & Poor's Quantitative Services globally recommended 44.8% of issuers with buy recommendations, 20.5% with hold recommendations and 34.7% with sell recommendations.

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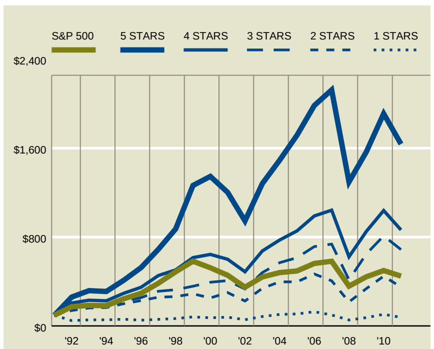
U.S. STARS Cumulative Model Performance

Hypothetical Growth Due to Price Appreciation of $100
For the Period 12/31/1986 through 02/28/2013



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a $100,000 investment for a 12-month period (or $10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or $1,650), the net return would be 8.35 percent (or $8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of $5,375 and a cumulative net return of 27.2% (or $27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

The Standard & Poor's 500 index is the benchmark for U.S. STARS. The S&P 500 index is calculated in U.S. dollars and does not take into account the reinvestment of dividends. Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index. The S&P 500 index includes a different number of constituents and has different risk characteristics than the STARS equities. Some of the STARS equities may have been included in the S&P 500 index for some (but not necessarily all) of the period covered in the chart, and some such equities may not have been included at all. The S&P 500 excludes ADRs and ADSs. The methodology for calculating the return of the S&P 500 index differs from the methodology of calculating the return for STARS. Past performance of the S&P 500 index is no guarantee of future performance.

An investment based upon the models should only be made after consulting with a financial advisor and with an understanding of the risks associated with any investment in securities, including, but not limited to, market risk, currency risk, political and credit risks, the risk of economic recession and the risk that issuers of securities or general stock market conditions may worsen, over time. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability. As with any investment, investment returns and principal value will fluctuate, so that when redeemed, an investor's shares may be worth more or less than their original cost.

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